Case Number

0506-0026

Case Title:			Reporting Office:
Ferguson Enterprises I	nc.	Detroit	, MI, Resident Office
Subject of Report: Interview of	Detroit Department	of BS&E.	Activity Date: December 16, 2008
Copies to:			Related Files:
Reporting Official and Date:			Approving Official and Date:
19-DEC-2008	RAC		SAC 08-JAN-2009 Approved by: SAC
Department of Building knowledge of an emerge Recycling, interactions	interviewed Safety and Engineer charged demolition order tions with the demolition of the	ring (BS&E).reg r issued to Sys Director of	tematic Detroit's BS&E,
	interviewed of Building Safety a Detroit, Michigan; formed of the identi	and Engineering telephone:	; DOB: rviewing agents
has been employed twenty two years was demoted by current BS& fire but was unsultable but	E Director	e Permits Divis	_
explained that refront of the Board of city ordinance. The va		006 to request	a variance to the

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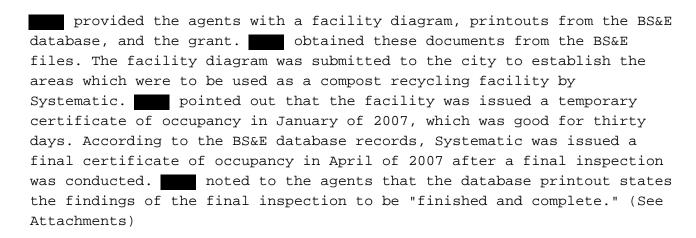
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Systematic which contained conditions the facility was required to meet in order to allow them to seek and obtain a certificate of occupancy.

recently sent another inspector to look at the Systematic Recycling facility located at 9125 West Jefferson, Detroit. This inspector, who does not want to go on record regarding the recent inspection, told that the facility was not in compliance with some of the conditions of the grant.



was aware that an emergency demolition order was issued by the Systematic facility as well. Saw photographs of the building which did have some damage although not what considers as a building inspector to be enough to constitute an emergency. Commented that the damage to the building looked as if someone had hit it with heavy equipment to make it look like an emergency. Added that this was a common practice in the city especially by Ferguson Enterprises. The emergency order was originally issued for one building, but in the BS&E system it looks like someone changed it to apply to three buildings. It is aware that there are still two buildings on the site with the third having been demolished. According to there are no records of inspections in the BS&E database for the demolition activities.

was not sure of the month, but recalled that on either the 23rd or 25th of that month a BS&E inspector took the photos of the damaged building and the emergency demolition order was issued on the 27th. On the 4th of the next month the demolition contractor pulled the permit for the site. Stated that this process normally does not happen that fast.

confirmed that is the only one within BS&E who has the authority to issue an emergency demolition order for the City of Detroit.

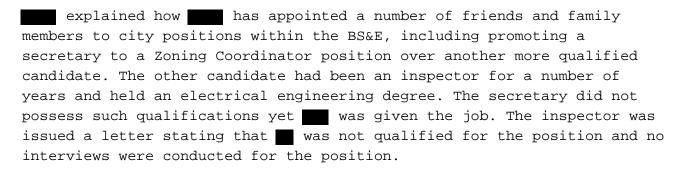
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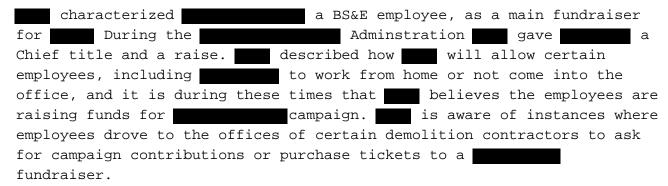
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BS&E has a set of ten or eleven demolition companies which were awarded contracts. These contracts are for a set amount of money and are to expire every year. However the contracts have been extended by BS&E for a number of years instead of being re-bid. Once the contractors run out of money on the contract they can come back to BS&E to request additional funding. Ferguson Enterprises and ABC are two of the companies which were awarded demolition contracts. agreed to provide the agents with a list of the demolition contractors at a later date. SA asked if it was true that Ferguson Enterprises has the reputation of inflating the square foot prices for demolitions. replied that had heard this rumor but that another BS&E employee, would know more about that issue.

A few months ago, just before which had been originally awarded to ABC. The sites were located on East Outer Drive. ABC still had \$90,000 left on their contract amount at the time. The two demolition jobs put over their contract amount as each of the sites cost \$300,000. These sites were not emergency demolitions. Total told that after the demolitions were given to noticed that someone had accessed the database used to track the monies allotted to each contractor and increased the contract amount for A few days later someone once again accessed the database and increased the dollar amount for all of

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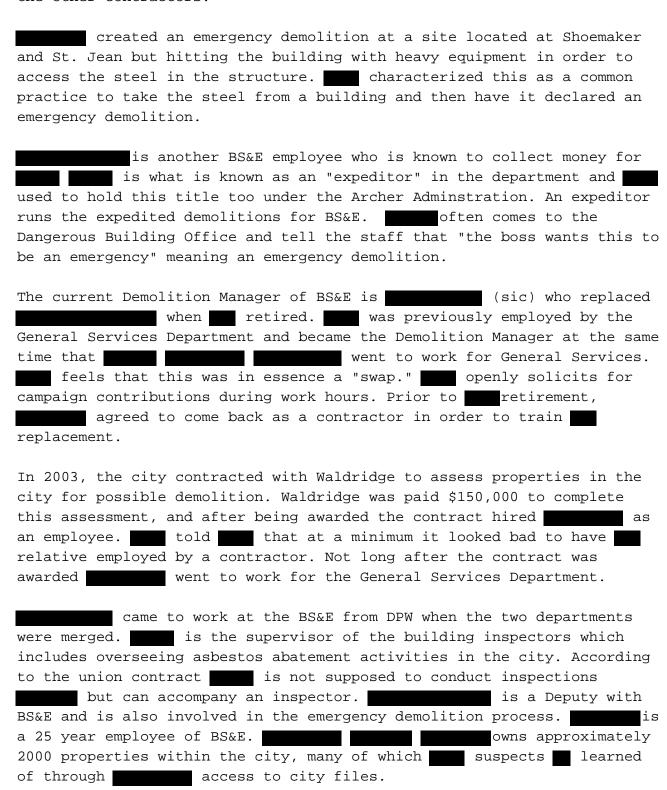
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the other contractors.



The normal procedure for obtaining an emergency demolition order is for

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an asbestos abatement company to contact the BS&E and tell them a structure is too dangerous to allow abatement to occur. A BS&E inspector is sent out to the site to verify the condition of the structure. If the inspector agrees that the structure is unsafe an emergency demolition order is issued by BS&E, bypassing City Council. City Council is sent a notice alerting them that an order has been issued. The number of emergency orders issued under administration is much higher than under predecessor. Some of the orders were necessary while others were not. is aware of contractors putting holes in perfectly good buildings in order to have them declared emergency demolitions. is not sure how much the demolition contractor gains from having it declared an emergency other than the demolition can occur sooner than if a non emergency demolition. commented that the developer of a site stands to gain the most from having it declared an emergency demolition.

was asked what knew about the demolition of the Temple Towers building. recalled that it was declared an emergency demolition even though it wasn't in imminent danger of collapse and was a structurally intact building. had not heard that Superbowl officials were concerned about the building's appearance.

The city has a Wrecking Board which reviews applications from contractors seeking a demolition license. Used to sit on the Wrecking Board but no longer does. It is known as someone who does not play along with the Administration and thus has not been awarded many contracts. It appointed two associates to the board; FNU and a pointed two associates to the board; FNU and a continued to receive demolition contracts when add not have a valid State of Michigan license. Explained that once a contractor is approved by the Wrecking Board they do not go back and check the status of their licenses.

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